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Country: USSR/Satellites/China  
Subject: New Orientation in Foreign Trade Policy  
Place Acquired: [redacted]  
Date Acquired: [redacted]  
Date of Info.: Up to 1 June 1953

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## DOCUMENTARY

1. The following information was excerpted and translated from the 26 May and 1 June 1953 issues of Atlas-Konjunktur-Bericht, a private Swiss business review which regularly receives reports from many areas of the world including Iron Curtain countries. Its circulation is restricted to a relatively small number of businessmen, mostly European of Western European origin.

2.

"The development of the Soviet economy does not show any basic shifts since Stalin's death although numerous personnel changes have taken place. It has been noted, however, that the budget has not yet been submitted to the Supreme Soviet as this used to be done every year."

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"Meanwhile, the Soviets are in the process of making drastic changes in their foreign trade policy. The Council for Mutual Aid [CMA], created as a counter-balance to the Marshall Plan, is being weakened in favor of a decentralization program. The Satellites are receiving greater freedom to export to the West and are no longer required to surrender the foreign currency obtained from such exports to the pool in Moscow provided that such trade does not endanger their obligations to other Iron Curtain countries. It cannot yet be predicted whether the Kremlin will follow up this reduction of economic intervention with a political liberalization; perhaps it hopes to strengthen the political ties with the Satellites by granting [them] greater economic independence."

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4.

"Moscow's original plan to create its own world market after 1948 which could develop in a closed area inhabited by eight hundred million people under Communist domination has not been found capable of realization. Through the enforced transfer of 70 per cent of their foreign trade to the Communist Bloc, the economies of the Iron Curtain countries had been maneuvered into a blind alley. The USSR demanded primarily heavy industrial products but was not in a position to meet the needs of the West many goods which are also available in the Soviet Bloc imported from the West in the quantity and at prices corresponding to Chinese requirements. These facts explain the urgent requests of the European Satellites directed to the Kremlin for more elbow room in foreign trade."

5.

"Moscow feels justified in concluding from economic developments in Western Europe that the increased capacity of the West European countries will force them sooner or later to revive trade with the East if they wish to avoid a serious sales crisis. The Soviet authorities consider it unlikely that the US will admit enough European products. The USSR wants to realize maximum profit from this situation and therefore is still holding back with its own Western trade out of the conviction that it will be able to negotiate in the foreseeable future

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under much more favorable conditions. At that point--it is argued in Moscow-- Western Europe will no longer feel bound by US embargo lists.

6. "The main demand of the Soviet Bloc consists of consumer goods of all kinds, also in specialized machinery, electrical equipment and appliances, chemicals, and pharmaceutical products."

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